

ALTERNATIVE LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022



ALTERNATIVE LEARNING TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of Trustees' responsibilities	15
Independent auditor's report on the accounts	16 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities	21 - 22
Balance sheet	23
Cash flow statement	24
Notes to the accounts	25 – 46

ALTERNATIVE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Jennifer Barrow Victoria Blakeman Tony Brett Young Shirley Meyers	
Trustees (Directors)	Robin Bishop Samantha Guy David Johnston Amy Lewis Timothy Pollen Alexander (Sam) Young	<i>Chair</i> <i>Vice Chair</i>
Academies Operated	The Limes College North West Kent Alternative Provision Service Will Adams Academy	
Trust Executive Team:		
Executive Principal	Emma Bradshaw	
Director of School Improvement	David Ward	
Chief Finance Officer	Christopher Cann	<i>(appointed 1 November 2021)</i>
Company Secretary	n/a	
The Limes College Leadership Team	Sali Goodrich Gillian LaRocque Rachael Carvill Gemma Hobson Laura Wareing	<i>Head Teacher</i> <i>Deputy Head</i> <i>(appointed 1 September 2021)</i> <i>Assistant Head (SENCo)</i> <i>(appointed on 1 November 2021)</i> <i>Assistant Head (Inclusion and Behaviour)</i> <i>(appointed on 1 November 2021)</i> <i>Assistant Head (Curriculum)</i> <i>(appointed on 1 November 2021)</i>
North West Kent Alternative Provision Service Leadership Team	Marie Woolston Abigail Woodhouse David Alphonso Philip Hardwick	<i>Head Teacher</i> <i>Deputy Head</i> <i>Assistant Head</i> <i>Assistant Head</i> <i>(appointed 9 December 2021)</i>
Will Adams Academy Leadership Team	Karen Bennett Tanya Chapman Sinéad Grimes Emma Winn-Gordon	<i>Head Teacher</i> <i>Deputy Head Teacher</i> <i>Business Manager</i> <i>SENCo</i>
Company registration number	11788031 (England and Wales)	
Registered office	Alternative Learning Trust Sutton West Centre Robin Hood Lane Sutton SM1 2SD	

ALTERNATIVE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Bankers

Lloyds Bank plc
49/53 High Street
Sutton
SM1 1DT

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2021/2022 issued by the ESFA.

The principal activity of the company is the operation of Pupil Referral Units (PRUs): The Limes College, North West Kent Alternative Provision Service and Will Adams Academy, providing a state education for vulnerable pupils who have been excluded from mainstream education. In total, Alternative Learning Trust has a pupil capacity of 311. In the most recent school census, The Limes College had a total of 115 students on roll; North West Kent Alternative Provision Service had a total of 80 students on roll; Will Adams has 42 currently on roll.

Structure, governance and management

Constitution

The academy trust was incorporated as a company on 25 January 2019. The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees are also the directors of the charitable company for the purposes of company law and they are Trustees of the charitable company.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Trustees' indemnities

No indemnities have been given to any third parties on behalf of any Trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the articles, the Trustees of the charitable company are the directors of the charitable company. They are appointed as follows:

- Up to nine Trustees appointed by the Members;
- A minimum of two Parent Trustees where Local Governing Bodies (LGBs) have not been established or if no provision is made for at least two parent governors on each LGB;
- The Trustees may appoint Co-Opted Trustees.

Policies and procedures adopted for the induction and training of Trustees

The induction and training provided for Trustees is tailored to each individual depending on their existing experience. Where necessary, induction provides training in charity, educational, legal and financial matters. Induction also includes one-to-one conversations with the Executive Principal, Chair of Trustees and Governance Officer as well as other members of the Executive Team. All Trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as Trustees, including any specific committee responsibilities. Visits to provisions within the Trust form an additional important part of induction and orientation to the Trust.

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2022

Individual Trustees have undertaken training and updates, including those provided by Management of School Finances, Governors for Schools, National Governance Association and Better Governor webinars. In addition, online training is purchased from The National College which enables Trustees to engage in webinars and courses covering a broad range of topics to support their roles.

Organisational structure

The Board of Trustees, all of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least three times a year and delegates specific financial responsibilities to the Audit, Risk and Finance Committee. In 2021 the Board approved the constitution of the Governance and Growth Committee which provides detailed scrutiny and oversight in areas of Trust governance, growth, due diligence and estate management. Other committees will be considered as the Trust expands and will deal with policies, developments and assessment of different areas of the running of the academies.

The Audit, Risk and Finance Committee and Governance and Growth Committee are formally constituted with terms of reference and comprise appropriately qualified and experienced Trustees. The activities of the committees are reported to, and discussed at, the Board of Trustees' meetings.

Day-to-day management of the Trust is undertaken by the Executive Principal, supported by the Executive Team. The Executive Principal is the Accounting Officer.

The Local Governing Bodies of The Limes College, North West Kent Alternative Provision Service and Will Adams Academy meet at least termly and, in line with the Trust's Scheme of Delegation, review and report on each individual academy's performance.

Arrangements for setting pay and remuneration of key management personnel

The Executive Team comprises the key management personnel of the Trust. Trustees are also leaders; however, they receive no pay or other remuneration in respect of their role as Trustees.

The pay of the Executive Principal is set annually by the Board of Trustees, having regard to performance against objectives set the previous year and within a stated ISR (pay range). Pay of other senior leaders is also set by the Board of Trustees, having regard to performance against previously agreed objectives and any recommendations made by the Executive Principal with reference to the National Leadership pay scale.

Trade Union Facility Time

The Trust currently has no Trade Union officials.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	0
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total Cost of facility time	£0
Total Pay bill	£4,600k

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2022

Percentage of the total pay bill spent on facility time	0%
---	----

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
--	----

Related Parties and other Connected Charities and Organisations

During the period 1 September 2021 to 31 August 2022, there were payments to related parties.

Related parties are regularly monitored and included in the monthly financial reports received by the Chair of Trustees and at Board of Trustees' meetings. Trustees or staff who are connected either to one another, or to any suppliers, are required to declare this via the Trust's related parties reporting procedure.

The Trust has strong collaborative links with schools across South East England.

Objectives and activities

Objects and Aims

The principal object of the Trust is defined in its Articles of Association. It is to advance for public benefit education in the UK by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of exclusion from school or otherwise, may not for any period receive suitable education unless provision is made for them. It achieved this object during the year ended 31 August 2022 by operating The Limes College, North West Kent Alternative Provision Service and Will Adams Academy.

Objectives, strategies and activities

The overarching objective of the Trust is to provide a strong, sustainable, supportive and vocal home to provisions that are often under-supported, under-funded and thought of last in national and local policy and funding.

The Trust's five-year strategic growth plan includes incremental growth with a focus in the South East of England with a view to creating hubs of special and alternative provision expertise to support best outcomes for all students.

The Trust continues to develop its support for teaching and learning and invests in staff development and training to ensure high performance across primary and secondary phases. Focus continues to increase attendance, reduce exclusions, increase personal development and ensure the curriculum meets the needs of the students.

Objectives for the year ended 31 August 2022 were as follows:

- To ensure the growth of the Trust within agreed principles
- To raise funding to meet the Trust's growth strategy
- To develop Trust staffing to ensure excellence
- To improve the quality and consistency of teaching and learning across all academies
- To improve aspects of leadership, management and governance in preparation for expansion
- To improve the use of assessment information, target-setting and marking to ensure that pupils know what they have to do to improve
- To continue to embed involvement and engagement in learning and develop the characteristics of an effective learner
- To maintain a safe and supportive learning environment where pupils can develop confidence and appropriate life skills.

Public benefit

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2022

In setting the objectives and planning the associated activities, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

Attendance and performance outcomes continue to exceed national average for PRUs, Alternative Provision and Special Schools.

Results for 2021/2022 from The Limes College, North West Kent Alternative Provision Service and Will Adams Academy are set out below.

GCSE results	2021/2022 numbers	2021/2022 %
English Grade 4 or better	15	65%
English Grade 3 or better	18	78%
Maths Grade 4 or better	14	61%
Maths Grade 3 or better	13	56%
Number gaining 5 Grade 9-4 GCSEs (or equivalent) including English and Maths	6	26%
Number gaining 5 Grade 9-1 GCSEs (or equivalent)	13	57%
Number gaining 4 Grade 9-1 GCSEs (or equivalent)	18	78%
Number leaving with no qualifications at Grade 1	0	0

Results for 2021/2022 from Northwest Kent Alternative Provision Service

GCSE results	2021/2022 numbers	2021/2022 %
English Grade 4 or better	11	26%
English Grade 3 or better	24	56%
Maths Grade 4 or better	4	17%
Maths Grade 3 or better	9	38%
Number gaining 5 Grade 9-4 GCSEs (or equivalent) including English and Maths	3	20%
Number gaining 5 Grade 9-1 GCSEs (or equivalent)	15	62%
Number gaining 4 Grade 9-1 GCSEs (or equivalent)	15	62%
Number leaving with no qualifications at Grade 1	0	0

Results for 2021/2022 from Will Adams Academy

GCSE results	2021/2022 numbers	2021/2022 %
English Grade 4 or better	5	25%
English Grade 3 or better	10	50%
Maths Grade 4 or better	2	10%
Maths Grade 3 or better	2	10%
Number gaining 5 Grade 9-4 GCSEs (or equivalent) including English and Maths	0	0
Number gaining 5 Grade 9-1 GCSEs (or equivalent)	14	70%
Number gaining 4 Grade 9-1 GCSEs (or equivalent)	16	80%
Number leaving with no qualifications at Grade 1	2	10%

All three provisions within the Trust stayed open throughout the Covid year, providing a mix of on-site and virtual learning. Teaching and support staff followed up every day with students who were not attending on-site. Welfare calls and visits also continued daily, with schools providing work packs as well as much needed food vouchers and/or

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2022

food packs. There was a strong focus on development and implementation of Covid-19 recovery plans and working with students and their parents/carers.

Schools within the Trust received laptops from the government schemes as well as local authorities, with The Limes College receiving significantly more.

Catch-up funding was used to deliver summer catch-up and engagement/tuition at both The Limes College and North West Kent Alternative Provision Service.

Key Financial Performance Indicators

Financial and non-financial KPIs are monitored regularly at Trust and Local Governing Body levels and indicate that the existing provisions are managing within allocated budgets. The Trust also supports provisions to work with the commissioner to develop clear service level agreements.

Key Performance Indicators (KPIs)

Key Performance Indicators (KPIs)			
Measure	The Limes College	NWKAPS	Will Adams
Commissioned pupil to teacher ratio	9:1	7:1	5:1
Teaching to non-teaching staff FTE %	23:77	36:64	33:67
Total budgeted Income £ per pupil	28,003	17,358	23,937
Total GAG & HN per pupil	24,000	13,059	22,542
Ratio of GAG & HN to total income %	86:14	75:25	94:6
Budgeted staff costs per pupil	19,751	14,130	21,089
Number of pupils on roll (highest point in year)	140	100	45
Bank balance at the end of year 31/08/2022	432,060	220,113	161,568

Measure	Result
Total unrestricted funds balance	526K
Pupil to teacher ratio	7
Teaching to non-teaching staff FTE %	30:70
Total income per pupil	23,626
Total GAG and HN per pupil	19,931
Ratio of GAG and HN to total income %	84:16
Staff costs per pupil	17,990
Bank balance at the end of year	1,882K

Going concern

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2022

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This statement was confirmed in a letter dated 14 November 2022 from the Chair of Trustees to the auditors. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Will Adams Academy joined with the Trust in April 2022 and the Trust is planning further growth 2022/2023.

Financial review

Income is received from a number of different sources. The majority comes in the form of grants from either central government via the Education and Skills Funding Agency (ESFA) (shown under the income heading DfE/ESFA grants), or from other government bodies (largely from local authorities) which appears under the income heading of Other Government Grants. Grant income is based largely on the student numbers to cover staffing and other general running costs; such income is collectively referred to as 'Restricted Funds'.

A small income is received from parents (for example, as contributions to trip or other costs) and from third parties (for example, from the Trust's bank for interest on its account balances or from others who are charged for their use of Trust facilities). Such other income may be restricted or unrestricted, depending on whether it comes to the Trust with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

The Trust holds funds in two broad categories: funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of Trustees ('Unrestricted Funds') and those which are subject to condition or restriction ('Restricted Funds').

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are, therefore, included as assets in the accounts but, clearly, we cannot spend this value. In common with all academies and local authorities, our share of the Local Government Pension Scheme (LGPS) deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. The Trust meets its obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

Fund	Category	2022 £'000	2021 £'000
ESFA Grants (GAG)	Restricted General Funds	1,291	1,062
Sub-total	General Restricted Funds	1,291	1,062
Unspent Capital Grants	Restricted Fixed Asset Fund	-	48
Other Income	Unrestricted General Fund	526	375
Sub-Total	Spendable Funds	1,817	1,485
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	11,714	10,128
Share of LGPS Deficit	Restricted Pension Reserve	(979)	(3,588)
Total	All Funds	<u>12,552</u>	<u>8,025</u>

During the year under review, general restricted funds increased by £229k (2021: increased by £556k) and unrestricted general funds increased by £151k (2021: increased by £96k). After LGPS valuation adjustments, depreciation and capital income and expenditure, overall funds increased by £4,527k (2021: increased by £3,481k)

Successful trust expansion grants have had a positive effect on the financial performance and financial position of the Trust. The Trust is holding a significant capital fund and reserves exceeding its Reserves Policy. The Trust has a clear plan for the majority of the reserves to develop sites and resources across the Trust. The reserves have also

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2022

enabled the Trust to take on schools requiring support, with confidence that support can be given swiftly and effectively.

The academy trust's principal risks and uncertainties are detailed in its risk register and Risk Management Policy, and plans for managing those risks are detailed therein. Current risks included are the cost of living (with particular reference to utilities) and the increase in level of need which referred young people are demonstrating, along with an increase in younger children being excluded from school.

The key factors that are likely to affect the Trust's financial performance or position going forward are sound commissioning agreements with commissioners and the increase in needs being managed. These are being mitigated by strong commissioning dialogue and process and by strategic work with the DfE to improve national funding for PRUs and Alternative Provision: this is reflected in the national SEND/AP Green Paper.

The overall financial position of the academy trust at the reporting date (based primarily on the balance sheet) is strong and there are balances exceeding the Trust's Reserves Policy. There are capital funds earmarked for vocational development work at The Limes College. The Limes College is also a Behaviour Hub for the DfE and this, alongside other training and traded services, continues to contribute to income.

The Trust has no funds in deficit.

The Trust's main income comes from three local authorities who commission placements for excluded children in line with their statutory duty. All schools within the Trust have, and are developing, traded placements to other schools and authorities, also increasing the range of needs that they cater for in developing both SEND and Post 16 provision. The income is stable; national funding to local authorities has increased for High Needs children. However, the increased work of the Trust and sourcing different funding streams is providing a robust financial situation with a strong reserves buffer.

The Trust currently does not invest in external funds and will review this as reserves increase and the Trust has to manage reserves ensuring that they accrue prudent returns.

Reserves policy

The principal policy on reserves is that accumulation of unspent GAG balances should not breach any limits thereon set out in the Funding agreement. The level of reserves should never be in deficit.

Each year the Trustees review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

Reserves should be sufficient to cover at least one month of salary costs and the Trust has added a contingency fund to be accessed by schools needing support with cost of living after they have exhausted their own reserves.

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to Covid-19, academic performance, finances, child welfare and admissions. The Trustees have implemented a number of systems including the Trust and Local Governing Body risk registers, to assess risks that the Trust faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls which are explained in more detail in the Governance Statement.

The principal financial risk faced by the company is that ongoing pressure on funding results potential deficits. The budgeting and reporting process, including scrutiny by the Trustees of actual financial performance, mitigates the risk.

ALTERNATIVE LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and 'trade' creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically with regard to the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

The Trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The Trust complies with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the Trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

The Trust complies with the Fundraising Regulator's Code of Fundraising Practice and UK law.

Plans for future periods

The over-arching aim for the Trust is to share outstanding practice with educators who wish to convert into an academy chain with whom they share a nurturing ethos. The Trust shares its areas of excellence and expertise with failing schools in collaboration with the Regional Schools Commissioner (RSC), with a particular focus on teacher training and school-to-school support.

The Trust will continue to consolidate and secure financial stability by pooling resources and expertise alongside a measured growth strategy.

Funds held as custodian trustee on behalf of others

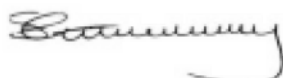
The academy trust is not acting as custodian for any other external body.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2022 and signed on its behalf by.



.....
Samantha Guy
Chair of Trustees

ALTERNATIVE LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Alternative Learning Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Alternative Learning Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees met formally on six occasions during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Samantha Guy (Chair)	6	6
Robin Bishop	5	6
David Johnston	6	6
Amy Lewis	2	6
Timothy Pollen (Vice Chair)	5	6
Alexander (Sam) Young	2	6

Conflict of interest

As required under FRS 102 all transactions with related parties are disclosed in the Management Accounts so that users can gain a full understanding of them and of issues that might have influenced them. Disclosure provides accountability and transparency to the public and demonstrates that potential conflicts of interest are being identified and reported. A register of interests is maintained of the relevant business and pecuniary interests of all Members, Trustees, Governors and senior employees; relevant material interests arising from close family relationships are also included in the register to ensure that the Trust is transparent and open. The register of interests is kept up to date and is published online.

Governance reviews

The Board of Trustees undertook a Trust-wide self-evaluation in September 2021. This included a 360° review of Chairs of the Board of Trustees and sub-committees. A strong culture of commitment, support and challenge was evident from Trustees' responses. Local Governors observed the challenges of contact during Covid-19 but had been able to maintain contact, training, challenge and support during the pandemic.

Skills audits and ongoing review across the Trust have identified accountancy and HR skills as areas to strengthen across the Trust and we are recruiting new Trustees to augment our existing capacities in these areas.

Trustees have reviewed the Terms of Reference of the Audit Risk and Finance Committee to allow for increased membership.

ALTERNATIVE LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Attendance during the year at meetings of the Audit, Risk and Finance Committee was as follows:

	Meetings attended	Out of possible
Trustees		
Alexander (Sam) Young (Chair)	2	3
Robin Bishop	3	3
Samantha Guy	3	3
Timothy Pollen	2	3

Review of Value for Money

As Accounting Officer, the Executive Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Re-negotiating the funding service level agreements with London Borough of Sutton, Medway, and Kent County Council to increase the number of students with whom the Trust works and to secure higher funding for working with more vulnerable students. Currently the schools, on average, provide a high level of value for money in Kent and Sutton, with increased value being added in Medway as local schools in the Trust work together and recognise joint savings in appointments and joint tendering
- Reviewing structures across the Trust to ensure maximum impact at each provision
- Robust financial governance and budget management with the Chief Finance Officer leading on strategic finance training for all budget-holders and leadership teams
- Reviewing controls and managing risk, with a focus on governance and Trustees' and Governors' training
- Ensuring value for money purchasing and best value is achieved using a variety of frameworks and local suppliers
- Reviewing quality of curriculum provision and quality of teaching

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place within the Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

ALTERNATIVE LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Audit, Risk and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks.

The Board of Trustees considered the need for a specific internal audit function and for 2021/2022 re-appointed Strictly Education Limited as Internal Scrutineers. At their meeting in January 2022, the Trust's Audit, Risk and Finance Committee requested that Data Protection and IT Systems; Payroll Management and HR Systems be reviewed for 2021/2022.

The overall opinion on the level of assurance for Data Protection and IT Systems and Payroll Management of the academy trust is reasonable. HR Systems received substantial assurance. There were no significant causes for concern raised.

The Trust has already begun implementing processes and procedures to address all of the findings and recommendations from the report. Trustees are satisfied that the role has been effectively implemented.

All internal scrutiny reports are reviewed by senior leadership and are then approved by the Audit, Risk and Finance Committee.

The Audit, Risk and Finance Committee has directed that for 2022/2023, Procurement; Fraud, Theft and Bribery and Safeguarding and Whistleblowing be reviewed by internal scrutiny.

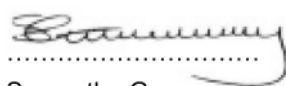
Review of effectiveness

As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the external auditor
- The work of a bought-in internal audit service
- The financial management and governance self-assessment process
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

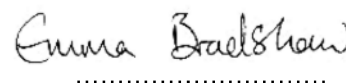
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit, Risk and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 7 December 2022 and signed on its behalf by:



Samantha Guy

Chair of Trustees



Emma Bradshaw

Accounting Officer

ALTERNATIVE LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Alternative Learning Trust, I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust's board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date, other than already noted in the assurance report. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Emma Bradshaw
Accounting Officer

.....

ALTERNATIVE LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Alternative Learning Trust for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these Financial Statements, the Trustees are required to:

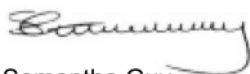
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 12 December 2022 and signed on its behalf by:



Samantha Guy
Chair of Trustees

ALTERNATIVE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the Financial Statements of Alternative Learning Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Financial Statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ALTERNATIVE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal assurance reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

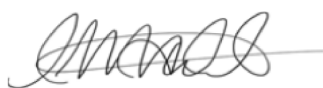
ALTERNATIVE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTERNATIVE LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Members as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Hallsworth FCA (Senior Statutory Auditor)

13 December 2022

for and on behalf of

Baxter & Co

Chartered Certified Accountants

Statutory Auditor

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

ALTERNATIVE LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALTERNATIVE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 12 May 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alternative Learning Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Alternative Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Alternative Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alternative Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Alternative Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Alternative Learning Trust's funding agreement with the Secretary of State for Education dated 22 May 2019 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academy Trust Handbook 2021, issued by the ESFA.

ALTERNATIVE LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALTERNATIVE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Conclusion

In the course of our work, other than the matters noted below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1:

No evidence had been retained to show that the ESFA had been notified in advance of related party transactions as per 2022 AFH s5.41.

Matter 2:

For one contract exceeding £20,000, the Trust did not obtain ESFA's prior approval as per 2022 AFH s5.42.

Baxter & Co.

Baxter & Co
Reporting Accountant

Dated: 13 December 2022
.....

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

ALTERNATIVE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2022 £'000	Total 2021 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	20	20	50
Donations - transfer from local authority on conversion	25	70	(180)	1,528	1,418	4,041
Charitable activities:						
- Funding for educational operations	4	-	6,349	-	6,349	5,529
Other trading activities	5	92	-	-	92	95
Investments	6	-	-	-	-	1
Total		<u>162</u>	<u>6,169</u>	<u>1,548</u>	<u>7,879</u>	<u>9,716</u>
Expenditure on:						
Raising funds	7	-	10	-	10	8
Charitable activities:						
- Educational operations	9	11	6,754	133	6,898	5,733
Total	7	<u>11</u>	<u>6,764</u>	<u>133</u>	<u>6,908</u>	<u>5,741</u>
Net income/(expenditure)		151	(595)	1,415	971	3,975
Transfers between funds	16	-	(123)	123	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	3,556	-	3,556	(494)
Net movement in funds		151	2,838	1,538	4,527	3,481
Reconciliation of funds						
Total funds brought forward		375	(2,526)	10,176	8,025	4,544
Total funds carried forward		<u>526</u>	<u>312</u>	<u>11,714</u>	<u>12,552</u>	<u>8,025</u>

ALTERNATIVE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted	Restricted funds:		Total
		funds £'000	General £'000	Fixed asset £'000	2021 £'000
Income and endowments from:					
Donations and capital grants	3	-	-	50	50
Donations - transfer from local authority on conversion	25	-	(180)	4,221	4,041
Charitable activities:					
- Funding for educational operations	4	-	5,529	-	5,529
Other trading activities	5	95	-	-	95
Investments	6	1	-	-	1
Total		96	5,349	4,271	9,716
Expenditure on:					
Raising funds	7	-	8	-	8
Charitable activities:					
- Educational operations	9	-	5,676	57	5,733
Total	7	-	5,684	57	5,741
Net income/(expenditure)		96	(335)	4,214	3,975
Transfers between funds	16	-	(24)	24	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(494)	-	(494)
Net movement in funds		96	(853)	4,238	3,481
Reconciliation of funds					
Total funds brought forward		279	(1,673)	5,938	4,544
Total funds carried forward		375	(2,526)	10,176	8,025

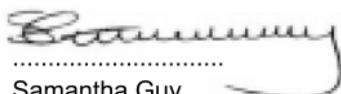
ALTERNATIVE LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		11,714		10,128
Current assets					
Debtors	14	284		160	
Cash at bank and in hand		1,882		1,573	
		<u>2,166</u>		<u>1,733</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(349)		(248)	
		<u></u>		<u></u>	
Net current assets			1,817		1,485
Net assets excluding pension liability			13,531		11,613
Defined benefit pension scheme liability	18		(979)		(3,588)
			<u></u>		<u></u>
Total net assets			<u>12,552</u>		<u>8,025</u>
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			11,714		10,176
- Restricted income funds			1,291		1,062
- Pension reserve			(979)		(3,588)
			<u></u>		<u></u>
Total restricted funds			12,026		7,650
Unrestricted income funds	16		526		375
			<u></u>		<u></u>
Total funds			<u>12,552</u>		<u>8,025</u>

The Financial Statements on pages 21 to 46 were approved by the Trustees and authorised for issue on 7 December 2022 and are signed on their behalf by:


.....
Samantha Guy
Chair of Trustees

Company registration number 11788031

ALTERNATIVE LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	19		410		557
Cash funds transferred on conversion	25		70		248
			<u>480</u>		<u>805</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		-		1	
Capital grants from DfE Group		20		16	
Capital funding received from sponsors and others		-		34	
Purchase of tangible fixed assets		(212)		(51)	
Proceeds from sale of tangible fixed assets		21		-	
		<u>21</u>		<u>-</u>	
Net cash used in investing activities			<u>(171)</u>		<u>-</u>
Net increase in cash and cash equivalents in the reporting period			309		805
Cash and cash equivalents at beginning of the year			<u>1,573</u>		<u>768</u>
Cash and cash equivalents at end of the year			<u><u>1,882</u></u>		<u><u>1,573</u></u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities. Further details of the transaction are set out in note 25.

1.4 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land & buildings	Over the term of the lease
Computer equipment	3 Years
Fixtures, fittings & equipment	10 Years
Motor vehicles	5 Years

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.9 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets and the liabilities are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Capital grants	-	20	20	50
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Funding for the Academy Trust's charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	2,589	2,589	2,400
Other DfE/ESFA grants:				
- Pupil premium	-	59	59	56
- Others	-	140	140	106
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	2,788	2,788	2,562
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other government grants				
Local authority grants	-	2,867	2,867	2,386
Special educational projects	-	2	2	4
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	2,869	2,869	2,390
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	-	-	59
Other DfE/ESFA COVID-19 funding	-	68	68	-
Non-DfE/ESFA				
Other COVID-19 funding	-	19	19	21
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	87	87	80
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other funding				
Other incoming resources	-	605	605	497
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funding	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	6,349	6,349	5,529
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding". The funding received for coronavirus exceptional support covers costs are included in the expenditure notes below as appropriate.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Income from facilities and services	85	-	85	95
Other income	7	-	7	-
	<u>92</u>	<u>-</u>	<u>92</u>	<u>95</u>

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Short term deposits	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

7 Expenditure

	Staff costs £'000	Non-pay expenditure		Total 2022 £'000	Total 2021 £'000
		Premises £'000	Other £'000		
Expenditure on raising funds					
- Direct costs	-	-	10	10	8
Academy's educational operations					
- Direct costs	3,427	123	548	4,098	3,291
- Allocated support costs	1,876	470	454	2,800	2,442
	<u>5,303</u>	<u>593</u>	<u>1,012</u>	<u>6,908</u>	<u>5,741</u>

Net income/(expenditure) for the year includes:

	2022 £'000	2021 £'000
Fees payable to auditor for:		
- Audit	13	12
- Other services	9	9
Operating lease rentals	49	48
Depreciation of tangible fixed assets	154	57
Gain on disposal of fixed assets	(21)	-
Net interest on defined benefit pension liability	64	40
	<u>252</u>	<u>206</u>

Included within expenditure are the following transactions:

	2022 £
Gifts made by the Academy Trust - total	<u>252</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Expenditure

(Continued)

Clarification – While the majority of disclosure in these accounts are rounded to £'000, the disclosure of gifts made is not. The value of gifts for the year is £252 (and not £252k).

8 Central services

The Academy Trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- Audit Services
- Executive Leadership

The Academy Trust charges for these services on the following basis:

- flat rate of income as stated below

The amounts charged during the year were as follows:

	2022	2021
	£'000	£'000
The Limes College	223	223
North West Kent Alternative Provision Service	66	66
Will Adams Academy	13	-
	<u>302</u>	<u>289</u>
	<u><u>302</u></u>	<u><u>289</u></u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Direct costs				
Educational operations	11	4,087	4,098	3,291
Support costs				
Educational operations	-	2,800	2,800	2,442
	<u>11</u>	<u>6,887</u>	<u>6,898</u>	<u>5,733</u>
Analysis of costs			2022	2021
			£'000	£'000
Direct costs				
Teaching and educational support staff costs			3,427	2,823
Staff development			16	23
Depreciation			123	45
Technology costs			18	27
Educational supplies and services			64	41
Examination fees			35	26
Educational consultancy			366	266
Other direct costs			49	40
			<u>4,098</u>	<u>3,291</u>
Support costs				
Support staff costs			1,173	1,247
Defined benefit pension scheme - staff costs (FRS102 adjustment)			703	447
Staff development			12	18
Depreciation			31	12
(Gain) / Loss on disposal of fixed assets			(21)	-
Technology costs			66	55
Maintenance of premises and equipment			211	193
Cleaning			36	38
Energy costs			101	50
Rent, rates and other occupancy costs			96	80
Insurance			8	7
Security and transport			85	54
Catering			33	54
Defined benefit pension scheme - finance costs (FRS102 adjustment)			64	40
Legal costs			16	-
Other support costs			162	123
Governance costs			24	24
			<u>2,800</u>	<u>2,442</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

Staff costs

Staff costs during the year were:

	2022	2021
	£'000	£'000
Wages and salaries	3,403	3,058
Social security costs	343	296
Pension costs	703	640
Defined benefit pension scheme – staff costs (FRS102 adjustment)	703	447
	<u> </u>	<u> </u>
Staff costs - employees	5,152	4,441
Agency staff costs	123	76
Staff restructuring costs	28	-
	<u> </u>	<u> </u>
Total staff expenditure	<u>5,303</u>	<u>4,517</u>

Staff restructuring costs comprise:

Redundancy payments	2	-
Severance payments	26	-
	<u> </u>	<u> </u>
	<u>28</u>	<u>-</u>

Severance payments

The Academy Trust paid 2 severance payments in the year, disclosed in the following bands:

0 - £25,000	2
-------------	---

Special staff severance payments

Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements. Included in staff restructuring costs are special severance payments totalling £26k (2021: £nil). Individually, the payments were: £16k and £10k.

Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2022	2021
	Number	Number
Teachers	35	25
Administration and support	91	73
Management	11	8
	<u> </u>	<u> </u>
	<u>137</u>	<u>106</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2022 Number	2021 Number
Teachers	33	25
Administration and support	77	57
Management	11	8
	<u>121</u>	<u>90</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

	2022 Number	2021 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	3	3
£90,001 - £100,000	1	1
	<u>5</u>	<u>4</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,110,915 (2021: £771,970).

11 Trustees' remuneration and expenses

During the year ended 31 August 2022 expenses totalling £nil (2021: £35) were reimbursed or paid directly to 0 Trustees (2021: 1 Trustee).

12 Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance from London Borough of Sutton to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance cover and the cost for the period ended 31 August 2022 is included in the total insurance cover and cost. The amounts are not separately identified.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Tangible fixed assets

	Leasehold land & buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2021	10,123	46	65	21	10,255
Transfer on conversion	1,528	-	-	-	1,528
Additions	59	31	-	122	212
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	11,710	77	65	143	11,995
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 September 2021	106	11	6	4	127
Charge for the year	93	26	6	29	154
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	199	37	12	33	281
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 31 August 2022	11,511	40	53	110	11,714
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2021	10,017	35	59	17	10,128
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Leasehold land (Limes College and North West Kent Alternative Provision) is included above at a nominal value of £5, reflecting legal restrictions as to its use. Leasehold land (Will Adams) is included above at value of £95k.

14 Debtors

	2022 £'000	2021 £'000
Trade debtors	40	34
VAT recoverable	41	19
Other debtors	70	16
Prepayments and accrued income	133	91
	<u> </u>	<u> </u>
	284	160
	<u> </u>	<u> </u>

15 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	183	88
Other taxation and social security	97	73
Other creditors	2	56
Accruals and deferred income	67	31
	<u> </u>	<u> </u>
	349	248
	<u> </u>	<u> </u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	1,062	2,589	(2,237)	(123)	1,291
Pupil premium	-	59	(59)	-	-
Other DfE/ESFA COVID-19 funding	-	68	(68)	-	-
Other Coronavirus funding	-	19	(19)	-	-
Other DfE/ESFA grants	-	140	(140)	-	-
Other government grants	-	2,869	(2,869)	-	-
Other restricted funds	-	605	(605)	-	-
Pension reserve	(3,588)	(180)	(767)	3,556	(979)
	<u>(2,526)</u>	<u>6,169</u>	<u>(6,764)</u>	<u>3,433</u>	<u>312</u>
Restricted fixed asset funds					
Inherited on conversion	10,050	1,528	(116)	-	11,462
DfE group capital grants	21	20	(3)	-	38
Capital expenditure from GAG and other funds	105	-	(14)	123	214
	<u>10,176</u>	<u>1,548</u>	<u>(133)</u>	<u>123</u>	<u>11,714</u>
Total restricted funds	<u>7,650</u>	<u>7,717</u>	<u>(6,897)</u>	<u>3,556</u>	<u>12,026</u>
Unrestricted funds					
General funds	375	162	(11)	-	526
Total funds	<u>8,025</u>	<u>7,879</u>	<u>(6,908)</u>	<u>3,556</u>	<u>12,552</u>

The specific purposes for which the funds are to be applied are as follows:

The Restricted General Funds are used to fund the general operating costs of the Academy.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	387	2,400	(1,701)	(24)	1,062
Pupil premium	-	56	(56)	-	-
Catch-up premium	-	59	(59)	-	-
Other Coronavirus funding	-	21	(21)	-	-
Other DfE/ESFA grants	-	106	(106)	-	-
Other government grants	119	2,390	(2,509)	-	-
Other restricted funds	-	745	(745)	-	-
Pension reserve	(2,179)	(428)	(487)	(494)	(3,588)
	<u>(1,673)</u>	<u>5,349</u>	<u>(5,684)</u>	<u>(518)</u>	<u>(2,526)</u>
Restricted fixed asset funds					
Inherited on conversion	5,885	4,221	(56)	-	10,050
DfE group capital grants	6	16	(1)	-	21
Capital expenditure from GAG	47	34	-	24	105
	<u>5,938</u>	<u>4,271</u>	<u>(57)</u>	<u>24</u>	<u>10,176</u>
Total restricted funds	<u>4,265</u>	<u>9,620</u>	<u>(5,741)</u>	<u>(494)</u>	<u>7,650</u>
Unrestricted funds					
General funds	<u>279</u>	<u>96</u>	<u>-</u>	<u>-</u>	<u>375</u>
Total funds	<u>4,544</u>	<u>9,716</u>	<u>(5,741)</u>	<u>(494)</u>	<u>8,025</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

16 Funds

(Continued)

Total funds analysis by academy

	2022 £'000	2021 £'000
Fund balances at 31 August 2022 were allocated as follows:		
The Limes College	866	1,158
North West Kent Alternative Provision Service	118	213
Will Adams Academy	131	-
Central services	702	66
	<u>1,817</u>	<u>1,437</u>
Total before fixed assets fund and pension reserve	1,817	1,437
Restricted fixed asset fund	11,714	10,176
Pension reserve	(979)	(3,588)
	<u>12,552</u>	<u>8,025</u>
Total funds	<u><u>12,552</u></u>	<u><u>8,025</u></u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2022 £'000	Total 2021 £'000
The Limes College	1,835	1,180	26	793	3,834	3,556
North West Kent Alternative Provision Service	1,153	494	31	394	2,072	1,834
Will Adams Academy	342	59	5	102	508	-
Central services	97	143	2	98	340	294
	<u>3,427</u>	<u>1,876</u>	<u>64</u>	<u>1,387</u>	<u>6,754</u>	<u>5,684</u>
	<u><u>3,427</u></u>	<u><u>1,876</u></u>	<u><u>64</u></u>	<u><u>1,387</u></u>	<u><u>6,754</u></u>	<u><u>5,684</u></u>

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	11,714	11,714
Current assets	526	1,640	-	2,166
Current liabilities	-	(349)	-	(349)
Pension scheme liability	-	(979)	-	(979)
	<u>526</u>	<u>312</u>	<u>11,714</u>	<u>12,552</u>
Total net assets	<u><u>526</u></u>	<u><u>312</u></u>	<u><u>11,714</u></u>	<u><u>12,552</u></u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	10,128	10,128
Current assets	375	1,310	48	1,733
Current liabilities	-	(248)	-	(248)
Pension scheme liability	-	(3,588)	-	(3,588)
Total net assets	375	(2,526)	10,176	8,025

18 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Sutton. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £354k (2021: £313k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2022	2021
	£'000	£'000
Employer's contributions	339	327
Employees' contributions	92	90
	<hr/>	<hr/>
Total contributions	431	417
	<hr/> <hr/>	<hr/> <hr/>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations (Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.95 to 4.05	3.85 to 3.90
Rate of increase for pensions in payment/inflation	2.95 to 3.05	2.85 to 2.90
Discount rate for scheme liabilities	4.25	1.65 to 1.70
RPI Increase	3.15	3.10 to 3.20
CPI Increase	2.95 to 3.05	2.85 to 2.90
	<u> </u>	<u> </u>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2022 Years	2021 Years
Retiring today		
- Males	21 to 21.4	21.6
- Females	23.5 to 24.1	23.6 to 24.3
Retiring in 20 years		
- Males	22.3 to 22.9	22.9
- Females	24.9 to 25.8	25.1 to 25.7
	<u> </u>	<u> </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2022 £'000	2021 £'000
Discount rate + 0.1%	4,097	6,335
Discount rate - 0.1%	4,324	6,729
Mortality assumption + 1 year	4,105	6,797
Mortality assumption - 1 year	4,316	6,271
Salary rate + 0.1%	4,194	6,550
Salary rate - 0.1%	4,226	6,509
Pensions rate + 0.1%	4,162	6,705
Pensions rate - 0.1%	4,258	6,358
	<u> </u>	<u> </u>

Defined benefit pension scheme net liability	2022 £'000	2021 £'000
Scheme assets	3,231	2,941
Scheme obligations	(4,210)	(6,529)
	<u> </u>	<u> </u>
Net liability	(979)	(3,588)
	<u> </u>	<u> </u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

The Academy Trust's share of the assets in the scheme

	2022	2021
	Fair value	Fair value
	£'000	£'000
Equities	2,007	1,912
Gilts	4	365
Other Bonds	668	253
Cash	111	62
Property	386	292
Other assets	55	57
	<u> </u>	<u> </u>
Total market value of assets	<u>3,231</u>	<u>2,941</u>

The actual return on scheme assets was £(238,000) (2021: £368,000).

Amount recognised in the statement of financial activities

	2022	2021
	£'000	£'000
Current service cost	932	768
Past service cost	110	5
Interest income	(54)	(39)
Interest cost	118	79
Administration expenses	-	1
	<u> </u>	<u> </u>
Total operating charge	<u>1,106</u>	<u>814</u>

Changes in the present value of defined benefit obligations

	2022
	£'000
At 1 September 2021	6,529
Transferred in on existing academies joining the Academy Trust	281
Current service cost	932
Interest cost	118
Employee contributions	92
Actuarial (gain)/loss	(3,848)
Benefits paid	(4)
Past service cost	110
	<u> </u>
At 31 August 2022	<u>4,210</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Pension and similar obligations

(Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2022 £'000
At 1 September 2021	2,941
Transferred in on existing academies joining the Academy Trust	101
Interest income	54
Actuarial loss/(gain)	(292)
Employer contributions	339
Employee contributions	92
Benefits paid	(4)
	<u> </u>
At 31 August 2022	<u>3,231</u>

19 Reconciliation of net income to net cash flow from operating activities

	Notes	2022 £'000	2021 £'000
Net income for the reporting period (as per the statement of financial activities)		971	3,975
Adjusted for:			
Net surplus on conversion to academy	25	(1,418)	(4,041)
Capital grants from DfE and other capital income		(20)	(50)
Investment income receivable	6	-	(1)
Defined benefit pension costs less contributions payable	18	703	447
Defined benefit pension scheme finance cost	18	64	40
Depreciation of tangible fixed assets		154	57
Profit on disposal of fixed assets		(21)	-
(Increase)/decrease in debtors		(124)	55
Increase in creditors		101	75
		<u> </u>	<u> </u>
Net cash provided by operating activities		<u>410</u>	<u>557</u>

20 Analysis of changes in net funds

	1 September 2021 £'000	Cash flows £'000	31 August 2022 £'000
Cash	1,573	309	1,882
	<u> </u>	<u> </u>	<u> </u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

21 Long-term commitments

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022	2021
	£'000	£'000
Amounts due within one year	11	22
Amounts due in two and five years	-	11
	<u>11</u>	<u>33</u>

22 Capital commitments

	2022	2021
	£'000	£'000
Expenditure contracted for but not provided in the Financial Statements	-	30
	<u>-</u>	<u>30</u>

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the ESFA's Academy Trust Handbook 2021, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Copper Oak Building Services Ltd is a related party by virtue of the fact that M Woolston's (part of the Alternative Learning Trust's leadership team) relative owns the company. During the year, ALT earned income of £nil (2021: £nil) and incurred expenditure of £19,740 (2021: £nil). At 31 August 2022 there was no balance due to or from Copper Oak Building Services Ltd.

Trustytec Garage is a related party by virtue of the fact that M Woolston's (part of the Alternative Learning Trust's leadership team) relative owns the company. During the year, ALT earned income of £nil (2021: £nil) and incurred expenditure of £1,851 (2021: £nil). At 31 August 2022 there was no balance due to or from Trustytec Garage.

Tall Ships Youth Trust is a related party by virtue of the fact that E Bradshaw, Executive Principal of Alternative Learning Trust is also a Trustee of Tall Ships Youth Trust. During the year, ALT earned income of £nil (2021: £nil) and incurred expenditure of £9,399 (2021: £nil) with the Tall Ships Youth Trust. At 31 August 2022 there was no balance due to or from The Ocean Youth Trust.

The Beckmead Park Academy is a related party by virtue of the fact that R Bishop, Trustee of Alternative Learning Trust is also a Trustee of the Beckmead Trust. During the year, ALT earned income of £nil (2021: £nil) and incurred expenditure of £nil (2021: £6,015) with The Beckmead Park Academy (part of The Beckmead Trust). At 31 August 2022 there was no balance due to or from The Beckmead Trust.

The Ocean Youth Trust is a related party by virtue of the fact that E Bradshaw, Executive Principal of Alternative Learning Trust is also a Trustee of the Ocean Youth Trust. During the year, ALT earned income of £nil (2021: £nil) and incurred expenditure of £nil (2021: £3,645) with the Ocean Youth Trust. At 31 August 2022 there was no balance due to or from The Ocean Youth Trust.

Cheam High School is a related party by virtue of the fact that E Bradshaw, Executive Principal of Alternative Learning Trust is also a member of the Cheam Academies Network. During the year, ALT earned income of £47,429 (2021: £13,120) and incurred expenditure of £nil (2021: £nil) with the Cheam High School. At 31 August 2022 there was £nil (2021: £399) due from Cheam High School, this amount is included within debtors.

Carshalton Boys Sports College is a related party by virtue of the fact that E Bradshaw, Executive Principal of Alternative Learning Trust is also a member of the Carshalton Boys Sports College. During the year, ALT earned income of £4,500 (2021: £nil) and incurred expenditure of £nil (2021: £nil) with the Carshalton Boys Sports College. At 31 August 2022 there was no balance due to or from Carshalton Boys Sports College.

Saffron Valley Collegiate is a related party by virtue of the fact that D A Johnston, a Trustee of Alternative Learning Trust is also a member of the Saffron Valley Collegiate management committee. During the year, ALT earned income of £2,000 (2021: £nil) and incurred expenditure of £nil (2021: £nil) with Saffron Valley Collegiate. At 31 August 2022 there was no balance due to or from Saffron Valley Collegiate.

ALTERNATIVE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

25 Conversion to an academy

On 1 April 2022 the Will Adams Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Alternative Learning Trust from the Medway Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/loss in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Will Adams Academy	Gillingham	1 April 2022		

	Unrestricted funds	Restricted funds:		Total
	£'000	General	Fixed asset	2022
Net assets transferred:	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	1,528	1,528
Cash	70	-	-	70
Pension scheme deficit	-	(180)	-	(180)
	<u>70</u>	<u>(180)</u>	<u>1,528</u>	<u>1,418</u>

	Unrestricted funds	Restricted funds:		Total
	£'000	General	Fixed asset	2022
Funds surplus/(deficit) transferred:	£'000	£'000	£'000	£'000
Fixed assets funds	-	-	1,528	1,528
LGPS pension funds	-	(180)	-	(180)
Other funds	70	-	-	70
	<u>70</u>	<u>(180)</u>	<u>1,528</u>	<u>1,418</u>